

GEORGIA FARM REPORT



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| HIGHLIGHTS | | | | |
|-----------------------|---------------------|---------------|-----------------|-----------------|
| Prospective Plantings | Agricultural Prices | Peanut Stocks | Poultry Summary | Risk Management |

1999 GEORGIA PROSPECTIVE PLANTINGS

| 1999 GEORGIA PROSPECTIVE PLANTINGS | | | | |
|------------------------------------|-------|-------------------------|-----------------------------|-------------------|
| Crop | 1997 | Planted Acreage 1998 | Intended 1999 ^{1/} | 1999 as % of 1998 |
| | | --Thousands-- | | --Percent-- |
| Corn, All | 500 | 500 | 400 | 80 |
| Cotton | 1,440 | 1,400 | 1,500 | 107 |
| Hay, All ^{2/} | 600 | 650 | 600 | 92 |
| Oats ^{3/} | 65 | 50 | 60 | 120 |
| Peanuts | 520 | 535 | 540 | 101 |
| Sorghum, All | 65 | 50 | 60 | 120 |
| Soybeans | 400 | 300 | 250 | 83 |
| Sweet Potatoes | 1.0 | 0.8 | 0.7 | 88 |
| Tobacco ^{2/} | 43 | 42 | 38 | 90 |
| Wheat ^{3/} | 400 | 290 | 300 | 103 |

1/ Intended plantings in 1999 as indicated by reports from farmers. 2/ Area harvested 1997, 1998; intended for harvest 1999. 3/ Includes acreage planted preceding fall.

1999 UNITED STATES PROSPECTIVE PLANTINGS

| Crop | Planted Acreage | | | 1999 as % of 1998 |
|---------------------------|-----------------|---------------|-----------------------------|-------------------|
| | 1997 | 1998 | Intended 1999 ^{1/} | |
| | | --Thousands-- | | --Percent-- |
| Corn | 79,537 | 80,187 | 78,219 | 98 |
| Sorghum | 10,052 | 9,626 | 8,804 | 91 |
| Oats | 5,068 | 4,902 | 4,732 | 97 |
| Barley | 6,706 | 6,340 | 5,274 | 83 |
| All Wheat | 70,412 | 65,871 | 63,029 | 96 |
| Winter Wheat | 47,985 | 46,449 | 43,399 | 93 |
| Soybeans | 70,005 | 72,375 | 73,105 | 101 |
| Peanuts | 1,434 | 1,511 | 1,508 | 100 |
| All Cotton | 13,898.0 | 13,417.9 | 13,944.2 | 104 |
| All Hay ^{2/} | 61,084 | 60,016 | 60,093 | 100 |
| Sweet Potatoes | 85.6 | 86.8 | 86.7 | 100 |
| All Tobacco ^{2/} | 836.2 | 726.9 | 647.9 | 89 |

1/ Intended plantings in 1999 as indicated by reports from farmers. 2/ Area harvested 1997, 1998; intended for harvest 1999.

LIVESTOCK SLAUGHTER--UNITED STATES^{1/}, FEBRUARY 1997, 1998

| Species | Number Slaughtered | | Average Live Weight | Total Live Weight | |
|---------------|--------------------|---------|---------------------|---------------------|-------|
| | 1998 | 1999 | | 1998 | 1999 |
| | --Thousand Head-- | | | --Thousand Pounds-- | |
| | | | | --Percent-- | |
| Cattle | 2,746.8 | 2,721.8 | 99 | 1,204 | 1,221 |
| Calves | 113.0 | 99.7 | 88 | 308 | 286 |
| Hogs | 7,711.5 | 7,904.8 | 103 | 258 | 259 |
| Sheep & Lambs | 308.5 | 298.9 | 97 | 137 | 135 |

1/ Includes slaughter under Federal Inspection and other commercial slaughter, excludes farm slaughter.

COMMERCIAL RED MEAT PRODUCTION--UNITED STATES^{1/}

| Kind | February | | 1999 as % of 1998 | January-February ^{2/} | | 1999 as % of 1998 |
|----------------|--------------------|-------|-------------------|--------------------------------|-------|-------------------|
| | 1998 | 1999 | | 1998 | 1999 | |
| | --Million Pounds-- | | | --Million Pounds-- | | |
| | | | | --Percent-- | | |
| Beef | 1,977 | 1,997 | 101 | 4,134 | 4,167 | 101 |
| Veal | 21 | 17 | 81 | 45 | 35 | 77 |
| Pork | 1,457 | 1,501 | 103 | 3,092 | 3,128 | 101 |
| Lamb & Mutton | 21 | 20 | 96 | 42 | 38 | 91 |
| Total Red Meat | 3,476 | 3,535 | 102 | 7,312 | 7,368 | 101 |

1/ Based on packers dress weights and excludes farm slaughter. 2/ Accumulated totals and percentages based on unrounded data.

COMMERCIAL POULTRY SLAUGHTER^{1/}—JANUARY 1998, 1999

| Item | January - January | | % of Year Ago | January - January | | % of Year Ago |
|--------------------------|-------------------|----------|---------------|-------------------|---------|---------------|
| | Jan 1998 | Jan 1999 | | 1998 | 1999 | |
| | --Thousands-- | | --Percent-- | --Thousands-- | | --Percent-- |
| Young Chickens | | | | | | |
| Georgia | 94,535 | 92,690 | 98 | 94,535 | 92,690 | 98 |
| United States | 668,891 | 661,635 | 99 | 668,891 | 661,635 | 99 |
| Mature Chickens | | | | | | |
| Light Type, U.S. | 9,204 | 10,098 | 110 | 9,204 | 10,098 | 110 |
| Heavy Type, U.S. | 5,565 | 5,120 | 92 | 5,565 | 5,120 | 92 |
| Total U.S. | 14,769 | 15,218 | 103 | 14,769 | 15,218 | 103 |
| Percent Condemned | | | | | | |
| Young Chickens | --Percent-- | | | --Percent-- | | |
| Georgia | 1.6 | 2.2 | | 1.6 | 2.2 | |
| United States | 1.7 | 1.8 | | 1.7 | 1.8 | |

1/ Federally inspected slaughter data as collected by Meat and Poultry Inspection Program.

EGGS IN INCUBATORS--MARCH 1, 1998-1999, UNITED STATES

| Item | 1998 | 1999 | % of Year Ago |
|---------------------|---------------|---------|---------------|
| | --Thousands-- | | --Percent-- |
| Chickens | | | |
| Egg Type | 34,570 | 35,347 | 102 |
| Broiler Type | 608,037 | 623,749 | 103 |
| Turkeys, All Breeds | 32,752 | 32,726 | 100 |

NUMBER OF LAYERS AND EGG PRODUCTION--DURING FEBRUARY 1998-1999

| | Number of Layers | | Eggs per 100 Layers | | Total Eggs Produced | |
|----------------------|------------------|---------|---------------------|-------|---------------------|-------|
| | 1998 | 1999 | 1998 | 1999 | 1998 | 1999 |
| | --Thousands-- | | --Number-- | | --Millions-- | |
| GEORGIA | | | | | | |
| Hatching | 9,226 | 9,516 | 1,713 | 1,734 | 159 | 165 |
| Table | 11,618 | 12,171 | 1,994 | 1,980 | 232 | 241 |
| Total Georgia | 20,844 | 21,687 | 1,871 | 1,872 | 391 | 406 |
| 30 STATES | | | | | | |
| Hatching | 53,125 | 54,814 | 1,673 | 1,671 | 889 | 916 |
| Table | 242,853 | 250,492 | 2,016 | 2,009 | 4,895 | 5,032 |
| Total 30 States | 295,978 | 305,306 | 1,954 | 1,948 | 5,784 | 5,948 |
| UNITED STATES | | | | | | |
| Hatching | 57,404 | 59,256 | 1,671 | 1,666 | 959 | 987 |
| Table | 255,841 | 263,677 | 2,013 | 2,010 | 5,150 | 5,300 |
| Total U.S. | 313,245 | 322,933 | 1,950 | 1,947 | 6,109 | 6,287 |

POULTRY HATCHING AND PLACEMENT--FEBRUARY 1998-1999

| Item | January thru February | | % of Year Ago | January thru February | | % of Year Ago |
|---|-----------------------|----------|---------------|-----------------------|-----------------------|---------------|
| | Feb 1998 | Jan 1999 | | 1998 | 1999 | |
| | --Thousands-- | | --Percent-- | --Thousands-- | | --Percent-- |
| Pullet Chicks Placed | | | | | | |
| Domestic & (U.S.)^{1/} | | | | | | |
| Broiler Type | 6,263 | 7,059 | 6,882 | 13,057 | 13,941 | 107 |
| Egg Type | 239 | 166 | 267 | 428 | 433 | 101 |
| Chicks Hatched | | | | | | |
| Broiler Type | | | | | | |
| Georgia | 95,569 | 112,588 | 100,054 | 204,090 | 212,642 | 104 |
| United States | 644,504 | 735,348 | 661,739 | 1,355,080 | 1,397,087 | 103 |
| Egg Type | | | | | | |
| Georgia | 1,787 | 2,194 | 1,984 | 3,929 | 4,178 | 106 |
| United States | 34,573 | 35,653 | 35,648 | 71,807 | 71,301 | 99 |
| Turkeys | | | | | | |
| Poult Placed | | | | | | |
| United States | 25,093 | 24,448* | 23,750 | 148,819 ^{2/} | 139,224 ^{3/} | 94 |

1/ Domestic placements as reported by leading breeders include expected pullet replacements from eggs sold during the preceding month at the rate of 125 pullet chicks per 30 dozen case of eggs. 2/ Turkey poult placed September 1997-February 1998. 3/ Turkey poult placed September 1998-February 1999. *Revised.

STOCKS OF PEANUTS AND SPECIFIED PRODUCTS AT MONTH'S END, 1998-1999^{1/}

| STOCKS OF FARMERS AND OF OTHER PROCESSORS MONTH-END, 1998-1999 | | | | | |
|--|---------------|-------------------------------|---------------------------|-------------------------|---------------------|
| Month Ending | Farmer Stocks | Shelled Peanuts ^{2/} | Roasting Stock (In Shell) | Farmer Stock Equivalent | |
| | | | | Shelled Peanuts | Total ^{3/} |
| --1,000 Pounds-- | | | | | |
| 1998 | | | | | |
| Aug. | 9,250 | 436,875 | 18,306 | 581,044 | 608,600 |
| Sept. | 409,108 | 303,091 | 12,153 | 403,111 | 824,372 |
| Oct. | 2,087,806 | 384,954 | 23,193 | 511,989 | 2,622,988 |
| Nov. | 2,220,885 | 447,464 | 34,411 | 595,127 | 2,850,423 |
| Dec. | 2,036,829 | 540,401 | 38,900 | 718,733 | 2,794,462 |
| 1999 | | | | | |
| Jan. | 2,245,870 | 691,163 | 48,065 | 919,247 | 3,213,182 |

1/ Excludes stocks on farms. Includes stocks owned by or held for account of CCC in commercial storages. Farmer stock on net weight basis. 2/ Includes shelled edible grades, shelled oil stock, and shelled seed (untreated). 3/ Actual farmer stock, plus roasting stock, plus shelled peanuts X 1.33.

INDEX NUMBERS--GEORGIA AND UNITED STATES

| | Feb. 1998 | Mar. 1998 | Feb. 1999 | Mar. 1999 |
|------------------------------------|-----------|-----------|-----------|-----------|
| GEORGIA (1977=100) | | | | |
| Prices Received | | | | |
| All Commodities | 144 | 146 | 134 | 133 |
| Crops | 142 | 143 | 118 | 118 |
| Livestock & Products | 146 | 148 | 146 | 144 |
| UNITED STATES (1990-92=100) | | | | |
| Prices Received | 101 | 102 | 96 | 97 |
| Prices Paid | 117 | 116 | 115 | 115 |
| Ratio ^{1/} | 86 | 88 | 83 | 84 |

PRICES RECEIVED BY FARMERS--MARCH 15, 1999 WITH COMPARISONS

| Commodity | Price per Unit | Georgia | | | United States | | |
|------------------------------|----------------|-----------|-----------|---------------------|---------------|-----------|---------------------|
| | | Mar. 1998 | Feb. 1999 | Mar. 15, 1999 | Mar. 1998 | Feb. 1999 | Mar. 15, 1999 |
| Winter Wheat | \$/Bu. | - | - | - | 3.16 | 2.56 | 2.56 |
| Oats | \$/Bu. | - | - | - | 1.64 | 1.20 | 1.20 |
| Corn | \$/Bu. | 3.19 | 2.74 | 2.70 | 2.55 | 2.05 | 2.04 |
| Cotton | Cts./Lb. | 63.3 | 55.8 | 55.0 ^{1/} | 63.9 | 56.0 | 54.4 ^{1/} |
| Cottonseed | \$/Ton | - | - | - | - | 141.00 | - |
| Tobacco | \$/Lb. | - | - | - | 1.810 | 1.950 | 1.950 ^{1/} |
| Soybeans | \$/Bu. | 6.44 | 4.59 | 4.69 | 6.40 | 4.80 | 4.55 |
| All Hay, Baled ^{2/} | \$/Ton | - | - | - | 95.30 | 79.00 | 78.50 |
| Hogs | \$/Cwt. | 34.50 | 28.00 | 27.50 | 34.90 | 27.60 | 26.50 |
| Sows | \$/Cwt. | 26.00 | 18.50 | 18.70 | 26.70 | 18.10 | 20.30 |
| Barrows & Gilts | \$/Cwt. | 35.40 | 29.00 | 28.50 | 35.30 | 28.10 | 26.90 |
| Beef Cattle ^{3/} | \$/Cwt. | 49.90 | 46.30 | 48.00 | 61.30 | 60.60 | 62.10 |
| Cows ^{4/} | \$/Cwt. | 35.50 | 35.40 | 35.60 | 36.00 | 34.70 | 34.70 |
| Steers & Heifers | \$/Cwt. | 71.60 | 66.50 | 66.50 | 64.30 | 63.60 | 65.50 |
| Calves | \$/Cwt. | 86.70 | 80.80 | 80.90 | 89.80 | 86.90 | 86.50 |
| All Milk ^{5/} | \$/Cwt. | 15.80 | 19.20 | 18.10 ^{6/} | 14.40 | 15.50 | 15.00 ^{6/} |
| Turkeys ^{2/} | Cts./Lbs. | - | - | - | 34.6 | 35.7 | 37.0 |
| Chickens | | | | | | | |
| Excl. Broilers ^{2/} | Cts./Lbs. | 18.7 | 17.2 | 16.1 | | | |
| Com'l Broilers ^{7/} | Cts./Lbs. | 37.0 | 37.5 | 36.5 | 35.2 | 36.6 | 35.8 |
| Eggs, All ^{2/8/} | Cts./Doz. | 88.6 | 83.4 | 83.9 | 69.9 | 65.2 | 67.9 |
| Table ^{2/} | Cts./Doz. | 57.4 | 49.1 | 50.0 | 57.1 | 50.1 | 53.1 |
| Hatching ^{2/} | Cts./Doz. | 140.0 | 140.0 | 140.0 | - | - | - |

1/ Based on sales during the first half of the month. 2/ Mid-month price. 3/ Cows, steers and heifers. 4/ Beef cows and cull dairy cows sold for slaughter. 5/ Before deduction for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 6/ Preliminary. 7/ Entire month. U.S. liveweight equivalent price. 8/ Average of all eggs sold by farmers including hatching eggs and eggs sold at retail.

STEPS IN FARM DECISION MAKING^{1/}

Regardless of the enterprise, whether it is crop production, livestock feeding, or commodity storage, good management requires that contracting and forward pricing decisions be coordinated closely with production and borrowing decisions (see list below). These suggested steps provide a general guide, as no single approach is best for every farmer. The choice depends on the individual farmer's resources and objectives.

Planning stage

1. Identify the production, borrowing, contracting, and spot-selling alternatives available.
2. Estimate costs and returns using forward price information.
3. Evaluate risks and risk-bearing capacity.

Implementation stage

1. Arrange loans, purchase inputs, and contract outputs.
2. Initiate and carry out production or storage.
3. Adjust to new information about price and yield prospects as needed.
4. Deliver the product, close out any futures or option hedges, and repay loans.

A SELECTION OF STRATEGIES FOR MITIGATING RISK^{2/}

Farmers have many options in managing the types of risks they face. For example, producers may 1) plant short-season crop varieties that mature earlier in the season to beat the threat of an early frost; 2) install supplemental irrigation in an area where rainfall is inadequate or unreliable; or 3) use custom machine services or contract/hired labor to plant and harvest quickly during peak periods.

Most producers use a combination of strategies and tools, because they address different elements of risk or the same risk in a different way. Following are some of the more widely used strategies:

- Enterprise diversification
- Vertical integration
- Production contracts
- Marketing contracts
- Futures contracts
- Futures options contracts
- Liquidity
- Crop yield insurance
- Crop revenue insurance
- Household off-farm employment

^{1/} United States Department of Agriculture, Risk Management Agency, August 1998. ^{2/} Agricultural Outlook, Economic Research Service, United States Department of Agriculture, March 1999.

Check with your local Extension Office or contact the Georgia Extension Service for publications on Risk Management Planning.